

SEPTEMBER 22, 1980

THE DIRECTOR OF THE DIVISION OF STATE LANDS TOOK FORMAL ACTION ON SEPTEMBER 22, 1980, AT 10:00 A.M. IN THE STATE LAND OFFICE, ROOM 411, EMPIRE BUILDING, 231 EAST 400 SOUTH, SALT LAKE CITY, UTAH 84111, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

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MINERAL LEASE APPLICATIONS

OIL, GAS & HYDROCARBON LEASE APPLICATIONS - REJECTED JB

Upon recommendation of Mr. Blake, the Director rejected the Oil, Gas and Hydrocarbon leases listed below, and ordered the refund of the advance rental to the applicant. The filing fee is forfeited to the State.

Mineral Lease Appl. No. 38517	T5S, R5W, SLM	Tooele
Twin Creek Exploration Co., Inc	Sec 18: Lots 1,2,3,4,	1,108.76 acres
Suite 701, 68 So. Main St.	Sec 19: Lots 1,2	
Salt Lake City, UT 84101	Sec 7: W $\frac{1}{2}$	
	Sec 13: NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$	
	Sec 12: E $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$	

REJECTED: because The State disclaims mineral interest in these lands. REFUND: \$1,109.00

Mineral Lease Appl. No. 38518	T6S, R6W, SLM	Tooele
Twin Creek Exploration Co., Inc	Sec. 25: S $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$	159.86 acres
Suite 701, 68 So. Main St.,	Sec 30: Lot 4	
Salt Lake City, UT 84101		REFUND: \$ 160.00

REJECTED: Because the State disclaims mineral interest in these lands.

METALLIFEROUS MINERAL LEASE APPLICATION - APPROVED JB

upon recommendation of Mr. Blake, the Director approved the Metalliferous Minerals lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Mineral Lease Appl. No. 38528	T29S, T20E, SLM	San Juan
Wyman H. Redd	Sec 2: A11	641.80 acres
P.O. Box 84,		
Monticello, UT 84535		AMOUNT DUE: \$2.00

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MINERAL LEASE ASSIGNMENTS

TOTAL ASSIGNMENTS - OIL, GAS AND HYDROCARBON LEASES JB

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon leases listed below to Getty Oil Company, P.O. Box 5237, Bakersfield, CA 93388 by Milan S. Papulak, who reserves 4% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Milan S. Papulak

ML 35012....T12N, R5W, Sec 15: A11, 640.00	Box Elder
ML 35013....T15S, R7W, Sec 36: A11, 640.00	Box Elder
ML 35067....T13N, R7W, Secs 8, 16, 20: A11, 1923.75	Box Elder
ML 35068....T13N, R7W, Sec 29: SW $\frac{1}{4}$ ; Sec 32: A11;	
Sec 34: E $\frac{1}{2}$ SW $\frac{1}{4}$ , Sec 35: SW $\frac{1}{4}$ , Sec 36: A11, 1681.56	Box Elder

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TOTAL ASSIGNMENTS - OIL, GAS AND HYDROCARBON LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon leases listed below to James C. Goodwin, 15200 West 26th Ave., Golden CO 80401 by Devon Corporation. No override, but subject to 5% previously reserved overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Devon Corporation

ML 27553....T14S, R9E, Sec 32: E $\frac{1}{2}$ , 320.00	Carbon
ML 27922....T14S, R9E, Sec 32: W $\frac{1}{2}$ ; T15S, R9E, Sec 1: Lots 3,4,S $\frac{1}{2}$ NW $\frac{1}{4}$ ,NW $\frac{1}{4}$ SW $\frac{1}{4}$ , 518.87	Carbon

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon leases listed below to Pioneer Production Corporation, P.O. Box 2542, Amarillo, TX 79189 by Hal A. McVey, who reserves 2% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Hal A. McVey

ML 38204....T40S, R4W, Sec 30: NW $\frac{1}{4}$ NE $\frac{1}{4}$ , Sec 32: All, 680.00	Kane
ML 38209....T40S, R5W, Sec 16: All, 640.00	Kane
ML 38210....T40S, R5W, Sec 32: All, 640.00	Kane
ML 38211....T40S, R5W, Sec 36: E $\frac{1}{2}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ ,S $\frac{1}{2}$ SW $\frac{1}{4}$ ,NE $\frac{1}{4}$ SW $\frac{1}{4}$ ,480.00	Kane
ML 38214....T41S, R4W, Sec 16: All, 640.00	Kane
ML 38215....T41S, R4W, Sec 32: All, 640.00	Kane
ML 38216....T41S, R4 $\frac{1}{2}$ W, Sec 16: All; Sec 18: Lot 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$ , 718.24	Kane
ML 38217....T41S, R4 $\frac{1}{2}$ W, Sec 32: All, Sec 33: NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec 34, NW $\frac{1}{4}$ NW $\frac{1}{4}$ , 720.00	Kane
ML 38218....T41S, R5W, Sec 2: Lots 1,2,3,4,S $\frac{1}{2}$ N $\frac{1}{2}$ ,S $\frac{1}{2}$ , 586.03	Kane
ML 38220....T41S, R5W, Sec 36: All, 640.00	Kane
ML 38264....T40S, R4W, Sec 11: N $\frac{1}{2}$ NW $\frac{1}{4}$ , 80.00	Kane
ML 38265....T40S, R9W, Sec 24: E $\frac{1}{2}$ ,N $\frac{1}{2}$ NW $\frac{1}{4}$ , Sec 26: W $\frac{1}{2}$ SW $\frac{1}{4}$ ,S $\frac{1}{2}$ SE $\frac{1}{4}$ Sec 35: E $\frac{1}{2}$ , W $\frac{1}{2}$ NW $\frac{1}{4}$ ,SE $\frac{1}{4}$ NW $\frac{1}{4}$ ,SW $\frac{1}{4}$ ,Sec 36: All, 1800.00	Kane
ML 38268....T41S, R9W, Sec 1: Lots 1,2,3,4,SE $\frac{1}{4}$ NE $\frac{1}{4}$ , Sec 10: NW $\frac{1}{4}$ ,E $\frac{1}{2}$ SW $\frac{1}{4}$ ,S $\frac{1}{2}$ SE $\frac{1}{4}$ , Sec 11, W $\frac{1}{2}$ NE $\frac{1}{4}$ ,SE $\frac{1}{4}$ NE $\frac{1}{4}$ ,NE $\frac{1}{4}$ NW $\frac{1}{4}$ ,NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec 12: S $\frac{1}{2}$ NW $\frac{1}{4}$ , Sec 16: All, 1446.84	Kane
ML 38269....T43S, R7W, Sec 16: All, 640.00	Kane
ML 38314....T42S, R4W, Secs 2, 36, 1252.96	Kane
ML 38315....T43S, R4W, Sec 2: Lots 1,2,4,5,6,7,8,9,9, N $\frac{1}{2}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , Sec 32: W $\frac{1}{2}$ ,W $\frac{1}{2}$ E $\frac{1}{2}$ , Sec 36: All, 1775.84	Kane
ML 38316....T43S, R5W, Sec 2: Lot 4, SW $\frac{1}{4}$ , Sec 11: SE $\frac{1}{4}$ NW $\frac{1}{4}$ , 240.00	Kane

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon lease listed below to Energy Development Inc., 428 South Main, Suite 107, Salt Lake City, Utah 84101 by Arjay Oil Company, who reserves 5% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Arjay Oil Company

ML 34648....T35S, R7E, Sec 16: All, 640.00	Garfield
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Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon lease listed below to Snyder Oil, Company, 410 - 17th Street Bldg., Denver, CO 80202 by Irma R. Kilburn, who reserves  $\frac{1}{2}$  of 1% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Irma R. Kilburn

ML 37653...Bed of the Green River in T6S, R21E: Secs 34,35,36 Bed of the Green River in T7S, R21E, Secs 1,2,3, 488.45	Uintah
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INTEREST ASSIGNMENTS - OIL, GAS AND HYDROCARBON LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of 50% interest in the Oil, Gas and Hydrocarbon lease listed below to Mobil Oil Corporation, P.O. Box 5444, Denver, CO 80217 by Petrodyne Production Company. No override.

LEASE OWNERSHIP: Petrodyne Production Company.

SLA 389.... Dept of Transportation, R/W in T5S, R23E, Sec 20:  $S\frac{1}{2}NE\frac{1}{4}, NE\frac{1}{4}SE\frac{1}{4}$ ,  
Sec 21:  $SW\frac{1}{4}NE\frac{1}{4}, SW\frac{1}{4}NW\frac{1}{4}, NW\frac{1}{4}SW\frac{1}{4}, NW\frac{1}{4}SE\frac{1}{4}$ , 8.50 Uintah

Upon recommendation of Mr. Prince, the Director approved the assignment of 25% interest in the Oil, Gas and Hydrocarbon lease listed below to PRM Exploration Company, A partnership, 2735 Villa Creek Drive, Dallas, TX 75234 by May Petroleum, Inc. No override, but subject to 4% previously reserved overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: May Petroleum, Inc - 75%; Ingram Exploration Co. - 25%

ML 31218....T19S, R14E, Sec 32: A11, 640.00	Emery
ML 33670....T21S, R18W, Sec 21: A11, 640.00	Millard
ML 34111....T14S, R16W, Sec 16: A11, 640.00	Juab

ASSIGNMENTS OF OPERATING RIGHTS - OIL, GAS AND HYDROCARBON LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of operating rights from the base of the Green River formation to the top of the Mancos formation in the Oil, Gas and Hydrocarbon lease listed below to CIG Exploration, Inc., 2100 Prudential Plaza, Denver, CO 80265 by Coastal Oil & Gas Corporation.

LEASE OWNERSHIP: Gilman A. Hill;  
Coastal Oil & Gas Corporation - operating rights from  
the base of the Green River formation down to the top of the  
Mancos formation.

ML 22649....T9S, R22E, Sec 32: $N\frac{1}{2}$ , 320.00	Uintah
ML 21330....T10S, R21E, Sec 29: $W\frac{1}{2}$ , 320.00	Uintah
ML 22974....T10S, R22E, Sec 20: $NW\frac{1}{4}$ , 160.00	Uintah
ML 22651....T10S, R22E, Sec 2, $E\frac{1}{2}$	Uintah
ML 3141....T9S, R21E, Sec 16: $N\frac{1}{2}SW\frac{1}{4}, SE\frac{1}{4}SW\frac{1}{4}$	Uintah
ML 3141-A...T9S, R21E, Sec 16: $SW\frac{1}{4}SW\frac{1}{4}$	Uintah
ML 3282....T9S, R21E, Sec 16: $N\frac{1}{2}SE\frac{1}{4}, SW\frac{1}{4}SE\frac{1}{4}$	Uintah
ML 3282-A...T9S, R21E, Sec 16: $SE\frac{1}{4}SE\frac{1}{4}$	Uintah
ML 22650....T9S, R22E, Sec 36: $S\frac{1}{2}$	Uintah
ML 22652....T10S, R21E, Sec 2: Lots 1,2,3,4, $S\frac{1}{2}N\frac{1}{2}$ ,	Uintah
ML 22935-A...T9S, R22E, Sec 31: $W\frac{1}{2}NE\frac{1}{4}$	Uintah
UO 1207-A-ST...T9S, R22E, Sec 31: $W\frac{1}{2}SE\frac{1}{4}$	Uintah
UO 1530-ST....T9S, R22E, Sec 31: $NE\frac{1}{4}NE\frac{1}{4}$	Uintah
UO 1530-A-ST...T9S, R22E, Sec 31: $E\frac{1}{2}SE\frac{1}{4}, SE\frac{1}{4}NE\frac{1}{4}$	Uintah

OVERRIDING ROYALTY ASSIGNMENTS - OIL, GAS AND HYDROCARBON LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of  $\frac{1}{4}$  of 1% overriding royalty in the Oil, Gas and Hydrocarbon leases listed below to Pegasus Energy Investment Group I, 621 - 17th Street, #1025, Denver, CO 80293 by E. Hunter Stone II. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: E. Hunter Stone II; Ewel H. Stone;  
E. Hunter Stone II - 3% O/R

ML 30452 - 30453 - 30454 - 30455 - 30516 - 30517 - 30518 - 30519 - 31247 -  
ML 31417 - 32082 - 32180 - 32181

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ASSIGNMENT OF OVERRIDING ROYALTY - OIL, GAS AND HYDROCARBON LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of a 1% overriding royalty in the Oil, Gas and Hydrocarbon leases listed below to Hingeline Royalty, Inc., 323 Boston Bldg., Salt Lake City, UT 84111 by E. H. Stone Investment Company. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: E. H. Stone Investment Company

ML 30452 - 30453 - 30454 - 30455 - 30516 - 30517 - 30518 - 30519 - 31247 -  
ML 31417 - 32082 - 32180 - 32181

TOTAL ASSIGNMENTS - METALLIFEROUS MINERALS LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of the Metalliferous Minerals leases listed below to Mini Industries, 717 South Houston, Tulsa, OK 74127 by Jet Enterprises. No override.

LEASE OWNERSHIP: Jet Enterprises

ML 37408....T23S, R7E, Sec 16: A11, 640.00	Emery
ML 37410....T26S, R9E, Sec 36: A11, 640.00	Wayne
ML 37411....T26S, R10E, Secs 32, 36: A11, 1280.00	Wayne
ML 37665....T21S, R11E, Sec 2: Lots 1-12, 388.16	Emery

Upon recommendation of Mr. Prince, the Director approved the assignment of the Metalliferous Minerals lease listed below to Gulf Mineral Resources, 1720 South Bellaire St., Denver, CO 80222 by Exxon Corporation. No override, but subject to 2% previously reserved overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Exxon Corporation

ML 20569....T30S, R25E, Sec 36: N $\frac{1}{2}$ , SE $\frac{1}{4}$ , 480.00	San Juan
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Upon recommendation of Mr. Prince, the Director approved the assignment of the Metalliferous Minerals lease listed below to Luki Milling Corporation, P.O. Box 1075, Vernal, UT 84078 by R. Gail Tibbetts, who reserves 1% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: R. Gail Tibbetts

ML 38305....Bed of the Colorado River in: T22S, R24E, Sec 28: SW $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ , Sec 29: N $\frac{1}{2}$ SE $\frac{1}{4}$ , 70.00	Grand
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RELINQUISHMENTS OF METALLIFEROUS MINERALS LEASES

The lessee under the Metalliferous Minerals leases listed below, Exxon Corporation, has filed relinquishments of these leases. Upon recommendation of Mr. Prince, the Director approved the termination of these leases and offering the lands for lease by Simultaneous Bid.

ML 37192	T31S, R15W, SLM. Sec. 32: A11	T31S, R16W, SLM. Sec. 36: A11	
	T32S, R16W, SLM. Sec. 2: A11		
	Sec. 16: A11	2578.00 acres	Iron County
ML 37193	T32S, R16W, SLM. Sec. 3: SE $\frac{1}{4}$ SE $\frac{1}{4}$	40.00 acres	Iron County

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RELINQUISHMENTS OF METALLIFEROUS MINERALS LEASES

The lessees under the mineral leases listed below have filed relinquishments of these leases. Upon recommendation of Mr. Prince, the Director approved the termination of these leases and offering the lands for lease by Simultaneous Bid.

<u>LEASE NO.</u>	<u>LESSEE</u>	<u>DESCRIPTION</u>	<u>COUNTY/ACRES</u>
ML 36265	Phillips Petroleum Co.	T8N, R7E, SLM. Sec. 32: E $\frac{1}{2}$ , E $\frac{1}{2}$ W $\frac{1}{2}$	Rich 480.00 acres
ML 37227	Exxon Corporation	T28S, R5W, SLM. Sec. 2: Lots 2,3,4	Piute 73.38 acres
ML 37199	Energy Reserves Group, Inc.	T9S, R20E, SLM. Sec. 36: A11	Uintah 640.00 acres
ML 37200	Energy Reserves Group, Inc.	T9S, R21E, SLM. Sec. 25: A11 Sec. 26: A11 Sec. 27: A11 Sec. 31: Lots 3,4,5,6, 7,8, NE $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$	Uintah 2305.42 acres
ML 37202	Energy Reserves Group, Inc.	T9S, R21E, SLM. Sec. 36: A11	Uintah 639.20 acres
ML 37203	Energy Reserves Group, Inc.	T9S, R22E, SLM. Sec. 29: A11 Sec. 31: Lots 1,2,3, SE $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , E $\frac{1}{2}$ Sec. 32: A11	Uintah 1804.06 acres
ML 37205	Energy Reserves Group, Inc.	T10S, R21E, SLM. Sec. 1: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$ , SE $\frac{1}{4}$ Sec. 2: A11 Sec. 4: Lots 1,2, S $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 12: N $\frac{1}{2}$ NE $\frac{1}{4}$	Uintah 1375.84 acres
ML 37209	Energy Reserves Group, Inc.	T10S, R22E, SLM. Sec. 7: Lots 1,2, E $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ Sec. 16: A11 Sec. 18: A11	Uintah 1519.98 acres
ML 37210	Energy Reserves Group, Inc.	T11S, R22E, SLM. Sec. 16: A11 Sec. 32: A11	Uintah 1280.00 acres
ML 37211	Energy Reserves Group, Inc.	T12S, R22E, SLM. Sec. 2: A11 Sec. 16: A11 Sec. 36: A11	Uintah 1920.24 acres
ML 37212	Energy Reserves Group, Inc.	T13S, R22E, SLM. Sec. 2: A11	Uintah 640.88 acres
ML 37213	Energy Reserves Group, Inc.	T12S, R21E, SLM. Sec. 2: A11	Uintah 640.28 acres
ML 33459	Atlas Corporation	T13S, R12W, SLM. Sec. 36: A11	Juab 640.00 acres

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CANCELLATION OF MINERAL LEASE APPLICATIONS

The applicants under the mineral lease applications listed below have not executed the leases issued under these applications. These applications were approved by the Director. The leases were prepared and sent out for execution by the applicants. The leases were not returned within the required 30 days so a certified mail notice was sent giving an additional 30 days for the return of the leases. They still have not been returned. Upon recommendation of Mr. Prince, the Director approved the cancellation of these mineral lease applications and all application fees and advance rental be forfeited to the State.

<u>Application Number</u>	<u>Applicant</u>	<u>Description</u>	<u>Type/Acres</u>
MLA 37292	Phil C. Nielson and Clark B. Cox	T23S, R13W, SLM. Sec. 36: A11	Limestone 640.00 acres
MLA 37433	Sidney Horman	T16S, R9W, SLM. Sec. 16: A11	Metalliferous Minerals 640.00 acres
MLA 37695	L.A. Young Sons Construction Company	T42S, R11W, SLM. Sec. 2: SW $\frac{1}{4}$ NW $\frac{1}{4}$	Clay 40.00 acres

REQUEST FOR EXTENSION OF DRILLING REQUIREMENT UNDER GEOTHERMAL STEAM LEASES  
 ..... ML 32366 and ML 32367

Phillips Petroleum Company, lessee under the geothermal steam leases ML 32366, and 32367 has requested a five-year extension in which to commence drilling operations under these geothermal steam leases. These leases were issued December 8, 1975, for a term of ten years. Section 10 of these leases provides as follows:

10. Development of Leasehold Estate: Lessee agrees to commence drilling operations on a well at an appropriate location within the leasehold estate within five (5) years from the date hereof, and to prosecute the drilling with reasonable diligence until products are discovered in sufficient commercial potential, or to a depth below which further drilling would be unprofitable in the written opinion of the Lessee issued to the Lessor. Such five (5) year period may be extended by the Lessor for a period not to exceed five (5) years upon written application by Lessee showing good cause therefor not more than ninety (90) days nor less than thirty (30) days prior to expiration of the initial five (5) year period. At any time within said five (5) year period, Lessee may surrender its rights under this lease and agreement. Lessee also shall have the right to drill such well or wells on the leasehold estate at such location or locations deemed desirable by Lessee upon thirty (30) days notice in writing, which location or locations shall not unreasonably interfere with rights of holders of lease or leases and special use permits from the State of Utah. No well shall be drilled within 100 feet of the boundary line of the leasehold nor within 100 feet of any building on the surface of the leasehold without written permission of the Lessor.

Phillips Petroleum Company has been active in geothermal exploration in Southwestern Utah; and particularly in the Roosevelt Hot Springs area. These leases are part of a larger block of State, Federal, and private lands being explored by Phillips Petroleum Company.

It is the Staff's feeling that Phillips Petroleum Company has been diligent in conducting geothermal exploration on the leases listed above along with other lands held by that company. Upon recommendation of Mr. Prince, the Director approved the five-year extension of the drilling requirements of this lease.

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STATEWIDE OIL AND GAS DRILLING BOND, MOSBACHER PRODUCTION COMPANY

Mosbacher Production Company has filed a statewide oil and gas drilling bond to cover their operations on State lands. This bond is in the amount of \$25,000. The surety on this bond is Federal Insurance Company, bond number JLW 0980-16. This bond is in order and Upon recommendation of Mr. Prince, the Director accepted this bond to cover the operations of Mosbacher Production Company on State Lands.

OIL AND GAS DRILLING BOND, KIMBARK OPERATING COMPANY

Kimbark Operating Company, operator under Oil, Gas, and Hydrocarbon lease ML 36190, has filed an oil and gas drilling bond to cover their operations under this lease.

This bond is in the amount of \$5,000. The surety is Safeco Insurance Company of Amnerica, Bond Number 2887773. This bond is in order and upon recommendation of Mr. Prince, the Director accepted this bond to cover the operations of Kimbark Operating Company under ML 36190.

OIL AND GAS DIVISION ORDER, ML 28030

Belco Petroleum corporation, operator of the Duck Creek 3-16 GR well in Sec. 16, T9S, R20E, SLM., has submitted a division order dated September 17, 1980, covering production from this well. This division order properly sets out the interest of the State. This division order replaces the division order approved December 10, 1979. Any royalty paid under this order should be credited to ML 28030.

Upon recommendation of Mr. Prince, the Director approved this division order.

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APPROVAL OF THE BLACK CANYON UNIT

This office has received evidence that the Black Canyon Unit was approved by the United States Geological Survey on August 26, 1980.

Upon recommendation of Mr. Bonner, the Director approved this Unit and the following leases to be noted to show that the United States Geological Survey approved this unit effective August 26, 1980.

- ML 28087 Atlantic Richfield Company
- ML 28885 Atlantic Richfield Company
- ML 29894 Atlantic Richfield Company
- ML 34732 Cities Service Company

APPROVAL OF THE ONE EYE UNIT

This office has received evidence that the One Eye Unit was approved by the United States Geological Survey on August 26, 1980.

Upon recommendation of Mr. Bonner, the Director approved this Unit and the following leases be noted to show that the United States Geological Survey approved this unit effective August 26, 1980.

- ML 27401 Nicor Exploration Company - 50 percent
- Texoma Production Company - 50 percent
- ML 27402 Nicor Exploration Company - 50 percent
- Texoma Production Company - 50 percent
- ML 27403 Nicor Exploration Company - 50 percent
- Texoma Production Company - 50 percent

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APPROVAL OF THE ONE EYE UNIT CONTINUED

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ML 27406	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27407	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27410	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27411	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27412	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27425	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27426	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27436	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27437	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27438	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27441	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27443	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent
ML 27565	Nicor Exploration Company - 50 percent
	Texoma Production Company - 50 percent

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RIGHT OF WAY - APPLICATIONS

RIGHT OF ENTRY NO. 1986 - APPROVED

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This office is in receipt of a request from Pacific West Exploration, P.O. Box 518, Panguitch, Utah 84759 for a permit to conduct a seismic survey - vibroseis type across the following State land:

Township 22 South, Range 1 East, SLB&M  
Section 2: Wayne County  
Section 36:  
Township 27 South, Range 2 East, SLB&M  
Section 2: Wayne County  
Section 16:  
Township 27 South, Range 3 East, SLB&M  
Section 2: Wayne County  
Township 28 South, Range 1 East, SLB&M  
Section 2:  
Section 32:  
Township 29 South, Range 1 East, SLB&M  
Section 5, 6, 7, 18, 19: Wayne County

The fee for a seismic survey - vibroseis type is \$50.00 per mile @ 7.0 miles totaling \$350.00, plus a \$20.00 application fee totaling \$370.00. Upon recommendation of Mr. Sandlund, the Director approved this Right of Entry with a January 31, 1980 expiration date.



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RIGHT OF WAY APPLICATIONS CONTINUED

RIGHT OF ENTRY NO. 1988 - APPROVED *SB*

This office is in receipt of a request from Texaco Inc., Party No. 40, P.O. Box 1557, Cortez, CO 81321 for a permit to conduct a seismic survey across the following State land:

Township 31 South, Range 9 West, SLB&M  
Section 32: Iron County

The fee for a seismic survey using the vibroseis method is \$50.00/mile @ 1 mile totaling \$50.00 plus a \$20.00 application fee totaling \$70.00. Upon recommendation of Mr. Sandlund, the Director approved this Right of Entry with a December 1, 1980 expiration date.

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RIGHT OF WAY APPLICATION

RIGHT OF ENTRY NO. 1987 *SB*

Seismograph Service Corporation, P. O. Box 1468, Cortez, Colo. 81321 has submitted an application to conduct a vibroseis seismic survey on the following described State land in San Juan County, Utah:

Township 38 South, Range 23 East, SLB&M  
Section 2: NE $\frac{1}{4}$

The initial payment is \$50.00, plus a \$20.00 application fee for 3,700 feet @ \$50.00 per mile. School fund. The expiration date is December 22, 1980.

Upon recommendation of Mr. Brown, the Director approved this Right of Entry.

GRAZING LEASE REINSTATEMENT *SB*

GL 17090 LA 19538 On August 25, 1980, the Director approved the cancellation of these grazing leases belonging to Lawrence Aubert, 211 Country Club Park, Grand Junction, Colo. 81501. Mr. Aubert has since notified this office that he desires these leases to be reinstated. The fee of \$644.22, including late fee charge has been received.

Upon recommendation of Mr. Brown, the Director approved the reinstatement of these grazing leases.

GRAZING LEASE COLLATERAL LIEN RELEASE *SB*

GL 14401 LA 17050  
GL 14484 LA 17031  
Interest of Joyce A. Cunningham

On September 8, 1980 a letter was received from A. Perry Christensen and David E. Christensen verifying their release of this collateral assignment as to the interest of Joyce A. Cunningham.

Upon recommendation of Mr. Brown, the Director approved the release of this collateral assignment.

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vp

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SUBJECT 22, 1980

TIMBER APPLICATIONS - APPROVED

*Qam*

Upon recommendation of Mr. Miles, the Director approved these Timber Applications subject to conditions included in each application.

T/A # 558 Paul Hansen, 2085 East 6550 South,  
Ogden, Utah 84403  
290 Live Aspen Seedlings - Total Cost:  
\$290.00

Township 26 South, Range 25 East, SLM  
Sections 34 & 35 Grand County

T/A # 559 Bruce Roberts, 2085 East 6550 South,  
Ogden, Utah 84403  
290 Live Aspen Seedlings - Total Cost:  
\$290.00

Township 26 South, Range 25 East, SLM  
Sections 34 & 35 Grand County

T/A # 560 Basil Combe, 2085 East 6550 South,  
Ogden, Utah 84403  
290 Live Aspen Seedlings - Total Cost:  
\$290.00

Township 26 South, Range 25 East, SLM  
Sections 34 & 35 Grand County

T/A 561 Jeffrey Holden, 2085 East 6550 South,  
Ogden, Utah 84403  
290 Live Aspen Seedlings - Total Cost:  
\$290.00

Township 26 South, Range 25 East, SLM  
Sections 34 & 35 Grand County

T/A # 562 Allen Combe, 2085 East 6550 South,  
Ogden, Utah 84403  
290 Live Aspen Seedlings - Total Cost:  
\$290.00

Township 26 South, Range 25 East, SLM  
Sections 34 & 35 Grand County

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MINERAL LEASES TO BE CANCELLED

*Jm*

The following lease is to be cancelled due to non-payment of 1980 rental. A Certified notice was mailed and a letter of relinquishment was received. Upon recommendation of Mr. Miller, the Director approved the termination of this mineral lease and offering the lands for lease by Simultaneous Bid.

<u>NAME</u>	<u>ACCOUNT NUMBER</u>	<u>TYPE</u>
Utah St. Dept. of Trans.	ML 35811	Sand & Gravel

*Q-M*

INTEREST RATES

CURRENT WEEK

YEAR AGO

Prime Rate  
Federal Funds  
Discount Rate

12.50  
9.50  
10.875

11.50  
7.40  
9.50

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*William K. Dinehart*

WILLIAM K. DINEHART, DIRECTOR  
DIVISION OF STATE LANDS

*Verna A. Petersen*

VERNA A. PETERSEN, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209

9/22/80

vp